

PUBLIC DISCLOSURE

April 13, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MILLBURY SAVINGS BANK

109 ELM STREET
MILLBURY , MA 01527

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire local community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **MILLBURY SAVINGS BANK (or the "Bank")** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

Millbury Savings Bank's CRA rating is based on five lending performance criteria, which are evaluated within the Bank's performance context. The Bank's satisfactory rating is based on: (1) an average net loan to deposit ratio of 65.0 percent; (2) a reasonable majority of residential mortgage loans granted within its assessment area; (3) a more than reasonable lending distribution among borrowers of different income levels; (4) a good distribution of residential mortgage loans granted among the census tracts, comprising the assessment area and (5) regular implementation of fair lending policies and procedures. No discriminatory lending practices were noted. No CRA complaints were received by the Bank.

PERFORMANCE CONTEXT

Description of Institution

Millbury Savings Bank, a community based mutual owned financial institution, operates a main office in downtown Millbury and a branch office on Route 146, Millbury. Both offices offer drive-up teller facilities and 24-hour ATM service with network access via NYCE, CIRRUS. Millbury Savings Bank is a SUM network member. SUM member banks do not levy ATM surcharges on their own customers or to other members' customers.

Millbury Savings Bank, as of December 31, 2004 had total assets of \$ 160.5 million; total loans represented \$ 93.9 million or 58.6 percent of assets. The table below details the Bank's loan portfolio.

Loan Portfolio as of December 31, 2004		
Type of Loans	\$'s (000's)	% of Total Loans
Construction & Land Development	600	0.6%
Residential Real Estate		
a. 1-4 Family Mortgages	52,378	55.8%
b. Home Equity Lines	13,562	14.4%
Multifamily	4,899	5.2%
Commercial Loans		
a. Commercial Real Estate.	9,783	10.4%
b. Commercial Loans	9,777	10.4%
Consumer Loans		
a. Credit Cards		0.0%
b. Loans to Individuals	2,989	3.2%
Other Loans		
Total	93,988	100.0%

Source: FDIC Call Report of Condition, 12/31/04

Millbury Savings Bank's lending remains concentrated in residential loans with first mortgages and equity loans (combined) comprising a majority (70.2%) of total loans. However, the Bank's lending diversification is evident with commercial real estate and commercial loans representing a significant segment (20.8%) of the Bank's loan portfolio. Lastly, construction and multifamily loans (5 units or more) combined, represented 5.8 percent (of total loans), while consumer loans represented 3.2 percent of all loans.

As primarily a mortgage lender with diversification in commercial lending, Millbury Savings Bank is an approved secondary market seller/servicer with the Federal Home Loan Mortgage Corporation ("FHLMC/FreddieMac"). Millbury Savings Bank is also a member of the Federal Home Loan Bank of Boston ("FHLBB").

PERFORMANCE CONTEXT (CONTINUED)

The Federal Deposit Insurance Corporation ("FDIC") last evaluated Millbury Savings Bank for CRA performance as of September 16, 2002 and assigned the Bank an overall "Satisfactory" rating. The Division last conducted a CRA evaluation as of December 7, 1999. This evaluation resulted in a "Satisfactory" rating.

Description of Assessment Area

CRA requires financial institutions to define an assessment area within which the Bank's lending activity will be evaluated. Generally, assessment area(s) consist of Metropolitan Statistical Areas ("MSA"s) or contiguous political subdivisions, such as counties, cities and towns. Millbury Savings Bank's assessment area is in conformance with the CRA regulation, containing only whole geographies or census tracts.

Millbury Savings Bank's defined assessment area includes the towns of Millbury, Grafton, Sutton, Douglas and Oxford. In addition, the assessment area includes one census tract within the City of Worcester that is adjacent to Millbury and one census tract within the Town of Shrewsbury that is adjacent to Grafton. The entire assessment area is situated within the Worcester, MA MSA. The Worcester, MA MSA's area median income was \$68,000 in 2003 and \$69,900 in 2004.

In 2004, the federal government's Office of Management and Budget ("OMB") reconfigured the MSAs nationwide, determining all MSA's would be based on county boundaries. Consequently, the Worcester, MA MSA now encompasses the entire Worcester County, north, south and central.

The CRA regulation defines income levels as low-income as less than 50 percent of the area median family income ("MFI"); moderate-income is 50 to 79 percent of MFI/area median income; middle-income is 80 to 119 percent of area median income/MFI; and upper-income is 120 percent and greater of the area median income/MFI. Both census tract and borrower income levels are based on these categories; however, census tract incomes are based solely on the ten-year census data, while borrower incomes are updated each year by the Department of Housing and Urban Development ("HUD").

All of the demographic information used in this evaluation is based on the 2000 U.S. Census. The Bank's assessment area comprises twelve census tracts, nine of the tracts are middle income and three are upper income tracts. The nine middle income tracts are situated in Millbury (3 tracts), Grafton (2 middle tracts), Oxford (2 middle tracts), Douglas (1 tract), Worcester (1 tract). The three upper income tracts are located in Grafton (1 tract), Sutton (1 upper income geography) and Shrewsbury (1 tract).

The table illustrates the distribution of all households and housing units among the census tracts within the assessment area.

Housing Characteristics by Census Tract Categories							
Geographic Income Category	Distribution by Percentage						Median Home Value
	Census Tracts	Households	Housing Units	Owner-Occupied	Renter-Occupied Units	Vacant Units	
Middle	75.0	67.6	67.7	64.9	75.0	84.5	\$136,427
Upper	25.0	32.4	32.3	35.1	25.0	15.5	\$188,260
Total/Median	100.0	100.0	100.0	71.0	25.8	3.2	\$153,163

Source: 2000 U.S. Census Data

PERFORMANCE CONTEXT (CONTINUED)

As shown, the middle and upper income geographies represent 75.0 percent and 25.0 percent, respectively, of all the assessment tracts. The distribution of households and housing units closely parallel each other with 67.6 percent of households and 67.7 percent of housing units, residing within the middle income tracts; likewise, with 32.4 percent of households and 32.3 percent of housing units, residing within the upper income geographies.

In comparison, 64.9 percent of all owner occupied units and 75.0 percent of all renter occupied units reside within the middle income geographies; while 35.1 percent of owner occupied dwellings and 25.0 percent of renter occupied units reside within the upper income geographies. Of all the housing units within the upper income tracts, 77.1 percent are owner occupied and 19.9 percent are renter occupied. Of all the housing units within the middle income tracts, 68.0 percent are owner occupied and 28.6 percent are renter occupied housing units.

The following table shows the distribution of family households, by income levels, within each census tract category and for the assessment area, as a whole.

Percentage of Families Within Each Census Tract Category					
Tracts Income Category	Low Income Families	Moderate Income Families	Middle Income Families	Upper Income Families	Total %
Middle	17.4	17.3	26.0	39.3	100.0
Upper	11.5	11.3	20.2	57.0	100.0
Total/All Tracts	15.4	15.3	24.0	45.3	100.0

Source: 2000 U.S. Census Data.

Low and moderate income families within the middle income tracts represent 34.7 percent of all families within these tracts, while low and moderate income families within the upper income families represent 22.8 percent of all families. Similarly, middle income families are 26.0 percent of all families within the middle income tracts and 20.2 percent of families within the upper income geographies. Lastly, upper income families within the middle income geographies stood at 39.3 percent of all families residing within these tracts, while upper income families within the upper income tracts stood at 57.0 percent of all families residing within these tracts.

The following table provides median home prices for the towns within the Bank's assessment area. Warren Information Service compiles the current home sales based on Registry of Deeds transactions.

	December 2003*	December 2004*
Grafton	\$307,500	\$377,400
Millbury	\$245,500	\$270,000
Oxford	\$187,500	\$223,700
Sutton	\$305,000	\$349,900
Douglas	\$220,000	\$270,000

Source: Warren Information Services (Banker & Tradesman)

Of the communities shown, Grafton is the most active real estate markets with annual home sales numbering 428 and 603, respectively, for 2003 and 2004. The second and third most active markets were Oxford and Millbury with annual sales in the 300 range in 2003 and 2004. As the table shows, home prices increased significantly within the assessment area in 2004. In Grafton, the median home price increased by \$69.9 thousand, representing a 22.7 percent increase over the prior year's level. In Millbury, the median home price increased by \$24.5 thousand, representing a 10.0 percent increase over 2003 levels.

PERFORMANCE CONTEXT (CONTINUED)

Aggregate Lenders' Data

The Home Mortgage Disclosure Act ("HMDA") requires lenders to report all purchase mortgages, refinances and home improvement loans to their respective regulators. Based on HMDA loan activity in 2003, there were 358 reporting lenders active within the assessment area. These mortgage lenders ranged from large nationally based mortgage companies and regional banks to small proprietary mortgage lenders. In aggregate, these HMDA reporting lenders originated a total of 12,075 loans for \$2.2 billion. Of these loans, the top twenty-five lenders originated 9,422 loans (for \$1.7 billion), holding a 58.9 percent market share. Ranking 24th, Millbury Savings Bank's held a 0.9 percent market share. In 2004, the top five mortgage lenders and their market share are as follows: (1) Countrywide Home Loans (6.0%); (2) Ameriquest Mortgage Company (5.2%), (3) GMAC Mortgage Corporation (4.9%); (4) Washington Mutual Bank, FA (4.8%) and (5) Fleet National Bank (4.4% market share).

Scope of the Evaluation

The credit products reviewed for this evaluation include all of the Bank's HMDA reported residential loan originations, including first mortgages for purchase or refinance; closed end equity loans for refinance and home improvement purposes; and all home improvement loans secured and unsecured. This data is derived from the Bank's HMDA–Loan Application Register ("LAR") for the calendar years 2003 and 2004.

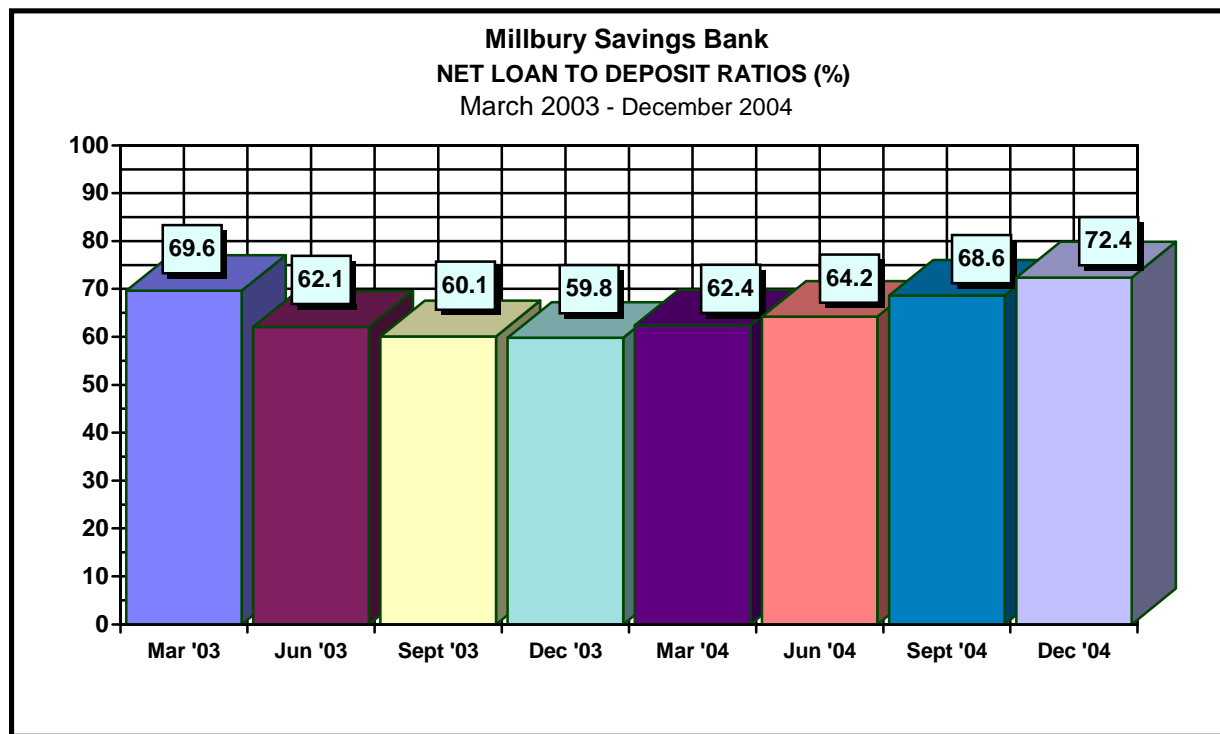
It should be noted that the Bank's HMDA reported lending activity includes those residential loan activities described here and is not the entire lending profile for this institution. As noted in the Performance Context section of this evaluation, Millbury Savings Bank loan portfolio also includes commercial real estate and commercial/industrial loans, equity lines of credit and non-HMDA reportable fixed rate, fixed term home equity loans and consumer loans.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

This criterion evaluates the overall level of the Bank's net loan-to-deposit ratio. The average net loan-to-deposit ratio is 65.0 percent for the eight quarters reviewed (March 31, 2003, through December 31, 2004). Millbury Savings Bank's performance is considered to be reasonable.

The graph illustrates the ratio's level and trend for the quarters reviewed.



In 2003, the Bank experienced a slight decline in loan growth of a negative 0.3 percent paired with a positive deposit growth of 20.1 percent, explaining, in part, the nearly 10.0 percent decline in the ratio of net loans to deposits ("NLTD") through December 2003. Notably in 2003, refinanced mortgages represented nearly 80.0 percent of all mortgage loans granted by the bank and resulted in little or no increase in the Bank's loan portfolio. However in 2004, the Bank's NLTD demonstrated an increasing trend due to a positive loan growth of 17.9 percent, paired with a slightly negative deposit growth of 2.4 percent.

As mentioned previously, Millbury Savings Bank is an approved FHLMC seller/servicer. The Bank sold to FHLMC the largest volume of loans in 2003, due to the low fixed rate mortgage market. The loans sold in 2003 and 2004 combined number 34 loans with outstanding balances totaling 3.9 million. Millbury Savings Bank continues to service all mortgage loans sold to FHLMC. In addition, the Bank is also an approved seller/servicer for Federal National Mortgage Association ("FNMA/FannieMae"). Although not actively selling to FNMA, the Bank continues to service FNMA purchased loans.

As an active FHLMC approved lender, the Bank is able to offer a greater variety of fixed rate mortgage loan products at competitive interest rates. In addition, secondary market sales provide greater funds availability to make additional loans.

PERFORMANCE CRITERIA (CONTINUED)

1. LOAN TO DEPOSIT ANALYSIS (CONTINUED)

The table following compares the Bank's net loan to deposit ratio to three locally based financial institutions with offices situated within the assessment area. The following comparison is offered as further evidence that the Millbury Savings Bank's performance for this lending criterion is considered to be reasonable.

Institution	Net Loans to Deposits	Total Assets \$(millions)
Millbury Federal Credit Union	71.8%	\$209.2
Millbury Savings Bank	72.4%	\$160.5
Fidelity Co-operative Bank	80.0%	\$305.6
Hometown Bank	82.0%	\$137.9

Source: Call Reports (FDIC and NCUA) as of 12/31/04

In conclusion, the institution's average net loan to deposit ratio of 65.0 percent is reasonable and reflects positively the Bank's lending capacity and responsiveness to the credit needs of its assessment area. Overall, Millbury Savings Bank's performance is considered to meet the standards for a satisfactory performance for this criterion.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Millbury Savings Bank in 2003 originated 227 HMDA reportable loans totaling \$33.3 million and in 2004 originated 150 HMDA residential loans totaling \$19.1 million. For the evaluation period in total, the Bank granted 377 HMDA reported loans for \$52.4 million. Of these loans, 233 loans for \$31.1 million were granted inside the Bank's assessment area, representing 61.8 percent by number of loans and 59.3 percent by dollar volume of all loans granted. The table below provides further details.

Home Mortgage Loans Inside and Outside the Assessment Area								
	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2003	137	60.4	19,999	60.0	90	39.6	13,343	40.0
2004	96	64.0	11,113	58.0	54	36.0	8,043	42.0
Total	233	61.8	31,112	59.3	144	38.2	21,386	40.7

Source: HMDA LAR, CRA Wiz

The greatest concentration of residential loans inside the assessment area was within the Town of Millbury. The Bank granted a total of 69 loans for \$9.8 million within Millbury in 2003 and granted 56 loans for \$5.9 million in 2004 within the town. These loans in total represent 53.6 percent by number and 50.6 percent by dollar volume of all loans granted within the assessment area.

Overall, Millbury Savings Bank granted a majority, 61.8% by number and 59.3% by dollar amount, of its HMDA reported loans inside its assessment area and consequently, meets the standard for a satisfactory performance for this lending criterion.

PERFORMANCE CRITERIA (CONTINUED)

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

This lending criterion evaluates the extent to which the institution lends to borrowers of different income levels within its assessment area. The Bank's performance for this criterion was found to be more than reasonable and to exceed the standards for a satisfactory performance.

The Worcester MA MSA's area median income/MFI was \$68,000 and \$69,900 in 2003 and 2004, respectively. In the Worcester MSA in 2003, a low-income family, below 50% MSA median, earned \$33,300 or less, while a moderate-income family, 50% to 79% area median, earned no more than \$53,700, annually. Middle income families, 80% to 119% of MSA median, had incomes ranging from \$54,400 to \$80,900, while upper income family households earned \$81,600 or more, annually.

The table below details the Bank's HMDA reported residential loan distribution by borrower income levels for 2003 and 2004. This data is compared to the 2003 HMDA aggregate lender's performance and to the distribution of family households within the assessment area.

Residential Mortgage Loans by Borrower Income								
Median Family Income Level	Family Households (% of #)	2003 Aggregate Lending Data	2003		2004		Total	
		% of #'s	#	%	#	%	#	%
Low	15.4	4.1	12	8.8	16	16.7	28	12.0
Moderate	15.2	18.4	31	22.6	18	18.8	49	21.0
Middle	24.0	26.2	51	37.2	30	31.2	81	34.8
Upper	45.4	39.3	38	27.7	31	32.3	69	29.6
NA	0.0	12.0	5	3.7	1	1.0	6	2.6
Total	100.0	100.0	137	100.0	96	100.0	233	100.0

Source: 2000 U.S. Census, HMDA Aggregate Data, HMDA-LAR

Comparison to both sets of data provides a measure of the reasonableness of the Bank's lending distribution. The aggregate lenders' data also indicates the level of lending opportunities, existing among borrowers of all income categories. In 2003, the aggregate lenders' distribution reasonably reflects the demographic distribution of households of all income categories, excepting low-income borrowers. In 2003, Millbury Savings Bank's borrower income distribution exceeded the HMDA aggregate performance for lending to both low and moderate-income borrowers. The Bank also exceeded the aggregate lenders' performance for lending to middle income borrowers.

The borrower income distribution based on the dollar volume of loans is not detailed in this discussion. Even so, the Bank's 2003 lending distribution to both low-income and moderate-income borrowers (based on dollar volume) similarly exceeded the aggregate lenders' distribution to these income groups. Based on dollar volume, the Bank also exceeded the 2003 aggregate lenders' distribution for lending to middle income borrowers.

The Bank continued in 2004 with a favorable borrower lending distribution to all income groups. Notably, the distribution of loans to low income borrowers increased, while the distribution to moderate-income and middle income borrowers decreased slightly.

PERFORMANCE CRITERIA (CONTINUED)

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS (CONTINUED)

Overall, Millbury Savings Bank's mortgage lending to low and moderate-income borrowers remained above the aggregate lenders' performance. Additionally, the institution's lending to middle income borrowers consistently exceeded the level of these households within the assessment area, indicating a more than reasonable lending distribution to this income group. Consequently, the Bank's mortgage lending for this criterion exceeds the standards for a satisfactory rating.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

This performance criterion evaluates the institution's record of addressing the credit needs of the assessment area based on the geographic distribution of loans. Millbury Savings Bank's performance for this criterion is considered to be good and to meet the standards for a satisfactory performance. Census tract income categories are defined as the same income categories used to determine borrowers' incomes. However, the ten-year U.S. Census MSA median incomes are used to determine the tracts' income levels.

The Bank's assessment area contains only middle (9 tracts) and upper (3 tracts) income geographies. The nine middle income tracts are situated in Millbury (3 tracts), Grafton (2 middle tracts), Oxford (2 middle tracts), Douglas (1 tract), Worcester (1 tract). The three upper income tracts are located in Grafton (1 tract), Sutton (1 upper income geography) and Shrewsbury (1 tract).

The table compares the Bank's geographic distribution of mortgage loans to that of the HMDA Aggregate Lenders' geographic loan distribution and to the distribution of owner occupied dwellings among the census tracts.

Distribution of HMDA Loans by Census Tract Income Category								
Census Tract Income Level	Owner- Occupied Housing Units (%)	2003 Aggregate Lenders' Data	2003		2004		Total	
		% of #	#	%	#	%	#	%
Middle	64.9	60.4	96	70.1	73	76.0	169	72.5
Upper	35.1	39.6	41	29.9	23	24.0	64	27.5
Total	100.0	100.0	137	100.0	96	100.0	233	100.0

Source: 1990 U.S. Census, HMDA LAR, HMDA Aggregate Data

As demonstrated, the majority (70.1%) of the Bank's mortgage loans were granted within the middle income census tracts. Notably, the geographic distribution of the Bank's loans was above the level of owner occupied dwellings situated within the middle tracts and also above the 2003 Aggregate Lenders' lending distribution. The Bank's strong market presence within the middle income tracts is attributable, in large part, to the fact that its main office and branch are situated in Millbury, within middle income tracts.

The Bank's solid geographic distribution within the middle income tracts influences its borrower income distribution, since it is within these tracts that a more even income distribution of family households is evident. Of all families residing within the middle income tracts, 34.7 percent were of low and moderate incomes, 26.0 percent were of middle incomes and 39.3 percent were upper income families. In comparison, of all the families residing within the upper income tracts, 22.8 percent were low and moderate-income, 20.2 percent were middle income and 57.0 percent were upper income families.

PERFORMANCE CRITERIA (CONTINUED)

4. GEOGRAPHIC DISTRIBUTION OF LOANS (CONTINUED)

Overall, the Bank's geographic loan distribution is considered to meet the standards for satisfactory performance. The Bank's performance for this criterion is not given as great a weight due to the fact that there are no low-income or moderate-income tracts within the assessment area.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

Millbury Savings Bank received no complaints, regarding its CRA performance for the period under review. The following discussion relates Millbury Savings Bank's fair lending performance to the guidelines established by the Division's Regulatory Bulletin 2.3-101. As the Bank regularly implements fair lending policies and practices, its performance is considered to be reasonable.

Millbury Savings Bank offers an array of credit products to meet the credit needs of its assessment area. As a mortgage lender, the Bank offers both FreddieMac secondary mortgage programs and its own in-house mortgage programs. The Bank's mortgage products include fixed and adjustable rate (1yr, 3yr and 5/1yr) mortgages with maximum term of 30 years and maximum loan to value ("LTV") of 95.0 percent. The Bank's own 5/1 ARM serves as its in-house first time homebuyer mortgage program. This program offers a cost savings with no private mortgage insurance for loans with an LTV of 90.0 percent or less. Additionally, the Bank offers 3 yr, 5/1 and 10/1 ARM construction to permanent financing mortgage loans with maximum LTV of 95.0 percent. In 2003, the Bank granted a total of 17 first time homebuyer mortgage for \$3.3 million and in 2004 the Bank granted 13 first time homebuyer loans for \$2.5 million.

Millbury Savings Bank participates in Massachusetts Housing Finance Agency's ("MassHousing") Home Owner Septic Repair Loan Program. This program provides low fixed rate financing to homeowner's to upgrade their septic system to conform to current (Title V) legal mandates. Millbury Savings Bank is MassHousing's top lender for this program, extending a total of 18 loans for \$289,019 in 2003 and a total of 8 loans for \$154,873 in 2004.

The Bank offers a fixed rate, fixed term equity loan product with a 15-year maximum term and LTV of 80.0 percent (70.0 percent for condos). In addition, the institution offers a 20 year (10 year draw, 10 year repayment) variable rate equity line of credit product with the same maximum LTV's. Consumer loan products include new and used car loans with terms of 60, 48 and 36 months; personal loans (minimum \$500/maximum \$10,000), overdraft lines of credit (with limits from \$500 - \$5,000) and collateral loans with a \$500 minimum. In addition, the Bank offers unsecured and secured home improvement loans with maximum term/amount of 5 years, \$15,000.

The Bank offers a pre-approval program, free of charge, to first time homebuyers. In addition, during the evaluation period the Bank offered several first time homebuyer seminars.

The Bank's second review procedure requires that a second loan officer review all mortgage applications slated for denial by the originating loan officer. In addition, the Bank annually analyzes its HMDA loan and application data, as to borrower incomes, race and gender, and geographic location. This analysis is done to provide the Bank with feedback as to its lending patterns and its rate of non-originated applications. This annual report also provides a market share analysis and compares the Bank's data to that of HMDA aggregate lenders

PERFORMANCE CRITERIA (CONTINUED)

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES (CONTINUED)

MINORITY APPLICATION FLOW

The Bank's minority loan application is compared to the aggregate HMDA lenders' data and to the assessment area's demographics to determine the reasonableness of the institution's level of attracting minority applicants. Based on the 2000 U.S. Census, the assessment area's population is 71,591 of which 4,456 persons or 6.2 percent are minority residents. The minority population consisted of Native Americans (0.2%), Asian/Pacific Islanders (2.3%), African Americans/Black (1.1%), Hispanics (1.6%) and other race minorities (1.0%).

Millbury Savings Bank's minority applications in 2003 and 2004 combined represented 1.6 percent of its total applications, .7 percent in 2003 and 2.7 percent in 2004. In 2003, the aggregate HMDA lenders received minority applications of 7.4 percent of total applications.

The Bank's only minority applicant in 2003 was approved, yet opted not to accept the Bank's approval. All three minority applications in 2004 were approved by the Bank and became originated loans. In contrast, HMDA aggregate lenders' originated 779 loans (or 65.9 %) of the 1,186 minority applications received. Although the Bank approved all minority applications received during the review period, the institution's level of attracting minority applicants is well below the HMDA aggregate lenders' level and the minority population within the assessment area.

An institution's ability to attract minority applicants may be influenced by a number of factors including product offerings, competition, the Bank's customer base and marketing presence within the minority communities. Overall Millbury Savings Bank's minority application flow is considered somewhat weak, yet satisfactory given its level of approved applications and a positive trend.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (109 Elm Street, Millbury, MA 01527)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.